

TESTIMONY IN SUPPORT OF

**HB 5017-18
HB 5088-89**

**LEE HLADKI
GREATER LANSING CONVENTION & VISITORS BUREAU**

before the

House Tourism-Outdoor Recreation & Natural Resources Committee

Tuesday, June 16, 2009

June 16, 2009

Prepared by:

Lee Hladki, President and CEO
Greater Lansing Convention and Visitors Bureau
1223 Turner St., Suite 200
Lansing, Michigan 48906

I am here today in support of HB's 5017 and 5018, 5088 and 5089. The legislation being proposed is critical in support of the tourism industry that like many other sectors of the economy is struggling to survive. According to PKF Hospitality Research, an international business advisory organization, "the good news is that the bottom of the current cycle for the U.S. hotel industry is soon to arrive. The bad news is that 2009 will be the weakest year on record for the domestic lodging industry, and 2010 is going to be disappointing as well." And we all know that the lodging sector is a major business indicator for the rest of the tourism industry. PKF does go on to forecast a fairly robust return to prosperity in 2011 and 2012.

Michigan needs to be positioned to take advantage of this rebound. Michigan needs to sustain the progress and the major and positive impact the Pure Michigan campaign has had on the regional and national markets. This progress is imperative to the success of each and every destination marketing organization supporting its community. Pure Michigan answers the question – Why Michigan, allowing each of us then to spend our resources answering the question as to why - our specific communities. Without Pure Michigan our job promoting our communities is more difficult and more expensive. Pure Michigan enhances our marketing efforts. A good example is Festival Season.

Communities throughout Michigan are just starting the SUMMER FESTIVAL season. Summer festivals are economic drivers for tourism product throughout all of the urban communities large or small. Muskegon's Summer Celebration, a 2 week event, is just getting underway. I just received an invitation to the Train Festival 2009, in Owosso. In Lansing our festival season has begun with 24 festival events scheduled between May and end of fall. Our largest festival COMMON GROUND music festival is a good

example of the economic impact of these events and why festivals are a part of what the Michigan tourism industry is all about.

Common Ground generates an estimated 5 million dollar impact on the Greater Lansing community in a 7 day period of time. It brings in national recognized talent, attracting over 80,000 visitors to Lansing with 25-30% of them from out of town. Put this together with the impact of all 24 events and you begin to see how important these events are to each community. The events themselves have multi vendors; food and beverage, plus retail sales, plus event management and coordination. Then there is the trickle effect into the community at large as people consume and spend on associated activities.

Summers in Michigan cities are about art festivals, blues festivals, ethnic festivals, music festivals, and more. Each festival large or small adds culture and texture to our communities and our lives. Each contributes financially to the infrastructure of tourism, creating jobs and stimulating the economy. This is just one example, if you think about our camp grounds, our golf courses, our lakes and recreational areas each contributing to what is aptly deemed the third largest industry in Michigan – Tourism and Hospitality.

Our communities need the support of the Pure Michigan campaign and the support offered by Travel Michigan to grow our tourism economy.

I want to thank the Legislature, Representatives Stanley, Nathan, Scripps and McDowell and their colleagues for their leadership and creativity in legislation to fund Travel Michigan and sustain the progress and momentum we made to date.

Thank you.